

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO: 18865-AG19-1122-187

IN THE MATTER OF:

Kovack Securities
6451 N. Federal Hwy., Ste. 1201,
Fort Lauderdale, FL 33308

Respondent.

Type of Agency Action: Enforcement

License No. : 33116

FILED

JAN 31 2020

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

The Enforcement Division of the Indiana Department of Insurance ("Department"), by counsel, Victoria Hastings, and Kovack Securities ("Respondent"), a nonresident producer organization licensed to do business in Indiana, signed an Agreed Entry which purports to resolve all issues involved in the above-captioned cause number, and which has been submitted to the Commissioner of the Indiana Department of Insurance ("Commissioner") for approval.

The Commissioner, after reviewing the Agreed Entry, which levies a five hundred (\$500) dollar civil penalty against Respondent for failing to timely report administrative actions from two states, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby incorporates the Agreed Entry, attached, as if fully set forth herein, and approves and adopts in full the Agreed Entry as a resolution of this matter.

IT IS THEREFORE ORDERED by the Commissioner as follows:

1. Respondent shall pay a civil penalty in the amount of five hundred dollars (\$500) to the Department within thirty (30) days of this Final Order.

1-31-2020
Date Signed


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

Victoria Hastings, Attorney
ATTN: Phil Holleman, Investigator
INDIANA DEPARTMENT OF INSURANCE
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204-2787

Kovack Securities
6451 N. Federal Hwy. Ste. 1201
Fort Lauderdale, FL 33308

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO.: 18865-AG19-1122-187

IN THE MATTER OF:

Kovack Securities
6451 N. Federal Hwy., Ste. 1201,
Ft. Lauderdale, FL 33308

Respondent.

Type of Agency Action: Enforcement

License Number: 33116

FILED

JAN 31 2020

STATE OF INDIANA
DEPT. OF INSURANCE

AGREED ENTRY

This Agreed Entry is executed by and between the Enforcement Division of the Indiana Department of Insurance ("Department"), by counsel, Victoria Hastings, and Kovack Securities ("Respondent"), to resolve all issues in the above-captioned cause number. This Agreed Entry is subject to the review and approval of Stephen W. Robertson, Commissioner of the Indiana Department of Insurance ("Commissioner").

WHEREAS, on November 14, 2019, Respondent applied for a renewal of a nonresident producer organization license;

WHEREAS, Respondent failed to timely disclose two (2) administrative actions from the states of Louisiana and Oklahoma;

WHEREAS, On May 25, 2017, the Oklahoma Department of Insurance issued a Conditional Administrative Order and Notice of Right to be Heard and levied a civil penalty of five hundred (\$500) dollars for failing to report a FINRA action from May 11, 2016;

WHEREAS, On February 26, 2018, the Louisiana Department of Insurance filed a Notice of Administrative Fine against Respondent when applying for a renewal of a nonresident producer organization license and levied a five hundred (\$500) dollars civil penalty for failing to timely report the FINRA action and the Oklahoma administrative action;

WHEREAS, Indiana Code § 27-1-15.6-12(b)(2)(A) states, in part, that the Commissioner may levy a civil penalty for violating an insurance law;

WHEREAS, Indiana Code § 27-1-15.6-17(a) is an insurance law that states, a producer shall report to the Commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in Indiana not more than thirty (30) days after the final disposition of the matter;

WHEREAS, Melinda Wolfe, CCO, of Kovack Securities, is authorized to act on behalf of Respondent and obligate it to perform in accordance with this agreement; and

WHEREAS, the Department and Respondent (collectively, the "Parties") desire to resolve this matter without the necessity of a hearing.

IT IS, THEREFORE, NOW AGREED by and between the Parties as follows:

1. The Commissioner has jurisdiction over the subject matter and the Parties to this Agreed Entry.
2. In order to avoid formal litigation in this matter, Respondent has determined that it is in their best interests to enter into this Agreed Entry. As such, Respondent acknowledges that they executes this Agreed Entry with full realization of its contents and effects.

3. This Agreed Entry is executed knowingly, voluntarily, and freely by the Parties. The Parties agree that the terms of this Agreed Entry constitute final resolution of this matter.
4. Respondent knowingly, voluntarily and freely waives the right to a public hearing on this matter, including the right to appear in person before the Commissioner, present evidence, cross-examine witnesses, and present arguments.
5. Respondent knowingly, voluntarily and freely waives the right to judicial review of this matter or otherwise appeal or challenge the validity of this Agreed Entry.
6. Respondent knowingly, voluntarily, and freely waives, releases, and forever discharges all claims or challenges, known or unknown, against the Department, its Commissioner, employees, agents, and representatives, in their individual and official capacities, that arise out of or are related to the Agreed Entry or Final Order, including but not limited to any act or omission as part of the underlying audit, investigation, negotiation, or approval process.
7. Respondent agrees to a civil penalty in the amount of five hundred (\$500) dollars to the Department within thirty (30) days after the Commissioner signs the Final Order adopting this Agreed Entry.
8. Respondent has carefully read and examined this Agreed Entry and fully understands its terms.

9. Respondent has had the opportunity to have this Agreed Entry reviewed by legal counsel of his choosing, at his own expense, and is aware of the benefits gained and obligations incurred by the execution of this Agreed Entry. Respondent understands and agrees that the Department cannot give him legal advice.
10. Respondent has entered into this Agreed Entry knowingly, voluntarily, and freely, and has not been subject to duress, coercion, threat, or undue influence.
11. This Agreed Entry constitutes the entire agreement between the Parties, and no other promises or agreements, express or implied, have been made by the Department or by any employee, director, agent or other representative thereof to induce Respondent to enter this Agreed Entry.
12. The Department agrees to accept Respondent's compliance with the terms of this Agreed Entry as full satisfaction of this matter, and warrants and represents that so long as Respondent complies with the terms of this Agreed Entry, the Department will not bring any further action against Respondent based on the facts that gave rise to this Agreed Entry.
13. In the event the Department finds there has been a breach of any of the provisions of this Agreed Entry, the Department may reopen this matter and pursue alternative action pursuant to Indiana Code § 27-1-15.6-12.
14. Respondent waives any applicable statute of limitations for purposes of any enforcement of the terms and conditions of this Agreed Entry.

15. Respondent acknowledges that this Agreed Entry may be admitted into evidence in any judicial or administrative proceeding against Respondent to enforce the terms and conditions contained herein.
16. Respondent understands that this Agreed Entry resolves only the matter pending with the Department and does not affect any criminal prosecution or civil litigation that may be pending or hereinafter commence against Respondent.
17. This Agreed Entry does not in any way affect the Department's authority in future audits, investigations, examinations, negotiations, or other complaints involving Respondent.
18. It is expressly understood that this Agreed Entry is subject to the Commissioner's acceptance and has no force or effect until such acceptance is evidenced by the entry of a Final Order by the Commissioner.
19. Should this Agreed Entry not be accepted by the Commissioner, it is agreed that presentation to, and consideration of this Agreed Entry by the Commissioner shall not unfairly or illegally prejudice the Commissioner or Respondent from further participation in or resolution of these proceedings.
20. If this Agreed Entry is accepted by the Commissioner, it will become part of Respondent's permanent record and may be considered in future actions brought by the Department or any other regulator against Respondent. It is further understood that, if accepted by the

Commissioner, this Agreed Entry and resulting Final Order are public records pursuant to Indiana Code § 4-21.5-3-32 that may not be sealed or otherwise withheld from the public, and may be reported to the National Association of Insurance Commissioners and published on the Department's website as required.

21. Respondent acknowledges that this is an Administrative Action they may be required to report to other jurisdictions in which they are licensed and on future licensing applications.

1/30/2020

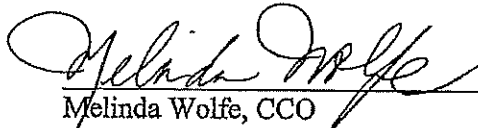
Date Signed



Victoria Hastings, Attorney #34052-29
Indiana Department of Insurance

1/29/2020

Date Signed



Melinda Wolfe, CCO
Kovack Securities, Respondent

STATE OF FLORIDA)
COUNTY OF _____) SS:

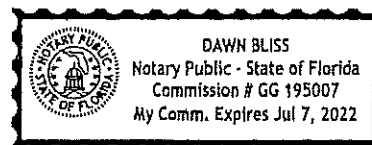
Before me a Notary Public for Broward County, State of Florida
personally appeared Melinda Wolfe, and being first duly sworn by me upon her oath, says that
the facts alleged in the foregoing instrument are true.

Signed and sealed this 29th day of January, 2020.

Signature Dawn Bliss

Printed DAWN BLISS

My Commission expires: July 7, 2022
County of Residence: Broward



Return executed originals to:
INDIANA DEPARTMENT OF INSURANCE
Enforcement Division, Suite 103
311 West Washington Street
Indianapolis, IN 46204-2787
317/234-5885 - telephone
317/234-2103- facsimile